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DEPT FOR OES, COMMERCE FOR NMFS - CASEY ORAVETZ AND PAUL  
RAYMOND

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SUBJECT: NICARAGUAN TRADE IN LARGE NUMBERS OF UNDERSIZED  
LOBSTERS THREATENS REGIONAL STOCKS

¶1. (SBU) Summary: In the past month, Nicaraguan law enforcement has seized a total of 10,000 illegal undersized lobsters from two tanker trucks. Yet another vehicle, thought to contain thousands more, managed to slip past the police. While officials are confident that they will obtain convictions in these cases, they are worried about the long-term impact of undersized lobster harvests on Nicaraguan and regional lobster stocks. They note the economic incentive for economically struggling residents of Nicaragua's isolated Atlantic Coast to smuggle undersized lobsters into El Salvador, and especially, Costa Rica to feed the demand from the international tourist market. Nicaragua's Environmental Prosecutor has requested U.S. military maritime assets, and encouraged USG contributions for the improvement of cross-border coordination of law enforcement activities to specifically address environmental crimes. Post will evaluate this request. End Summary.

¶2. (U) In just one month, Nicaraguan National Police (NNP) detained shipments of undersized lobsters from two tanker trucks. A third vehicle, strongly believed to have also been transporting illegal lobsters, eluded police. The two vehicles that were captured, contained a total of 10,000 lobsters. This recent spike in lobster smuggling comes after a hiatus of more than two years in which such activity was rare. Miguel Marengo, the Director General of the Nicaraguan Fisheries Agency (ADPESCA), believes that lobster smuggling was viewed as too risky for a couple of years thanks to the well publicized prosecution of directors of a U.S.-based seafood processing company and a Nicaraguan-American in the Miami Federal District Court in 2003. They were convicted under the federal Lacey Act in connection with a conspiracy to import more than \$2 million worth of undersized spiny lobster from Nicaragua to the United States.

¶3. (SBU) Marengo and Jose Garcia, a GON environmental prosecutor, both commented that the demand for fresh lobster from the tourist industry in El Salvador and, especially, Costa Rica provides a powerful incentive for poverty stricken residents of the isolated Atlantic Coast of Nicaragua. The route of the vehicles used in the most recent smuggling attempts has been traced from the remote Atlantic Coast city of Puerto Cabezas across the arduous roads of Nicaragua's interior and to the Pacific Coast boarder with Costa Rica. Nicaraguan's Environmental Prosecutor Lisandro D'Leon specified a land route from Puerto Cabezas to the centralized distribution point of Tipitapa, 20 kilometers from Managua, and onward to the Pacific Coast town of El Ostional, where the lobsters are loaded onto fishing boats and shipped a few miles into Costa Rican waters.

¶4. (U) D'Leon added that enormous commercial incentives drive this illicit trade, as lobsters that sell for \$2 a pound in Nicaragua command prices approaching \$15 a pound in the international market. These incentives have created political backlash against law enforcement. Recently, El Nuevo Diario reported on complaints from the ethnic minority population of the Atlantic Coast against Nicaragua's tough laws on the capture of undersized shrimp and lobster. These laws are about to get tougher with steeper sentences associated with a new environmental law that will enter into force May 21. Fishing Unions are demanding government subsidies in exchange for following the law.

¶5. (U) To underscore the dangers of capturing undersized lobsters, Marenco pointed out that the 3,000 pounds of illegal product captured in the latest operation represents 10,000 lobsters (from just one tanker truck) which would have each produced 600,000 eggs during their life span. If only 1% of those eggs would have survived, Nicaragua has lost one million pounds of future product. Nicaragua may already be paying an economic price for past illegal lobster harvests. In 2000, Nicaragua legally exported over 4 million pounds of lobster, but in 2005 it was only 2.8 million pounds due to depletion of the stock.

¶6. (SBU) Both Garcia and Marenco praised the diligence of the NNP, customs, and navy. Garcia noted that there is no known involvement of U.S. citizens or companies in the most recent cases. He is optimistic about the likelihood of obtaining convictions under Nicaraguan law. However, D'Leon lamented apparent corruption in the courts related to the recent release of three traffickers who had been charged with shipping undersized lobsters. D'Leon also pointed out the risks associated with attacking the criminal transshipment rings. Their reputations for ruthlessness are so fierce, according to D'Leon, that when he approached the Humboldt Center - an NGO that freely criticizes multinational companies - for assistance with an anti-smuggling campaign, they demurred, responding that the criminal groups involved were too dangerous.

¶7. (SBU) ADPESCA's Marenco stated that, at this time, there does not seem to be a need for USG assistance in the prosecutions. He noted, however, that ADPESCA lacks the financial and human resources to regulate lobster harvesting sufficiently. He further lamented the fact that while the judge in the Lacy Act case ordered that the \$250,000 in fines be given to ADPESCA for enforcement, the Ministry of Trade (MIFIC) has only released a small portion of the total for that purpose. D'Leon added that his office enjoys excellent cooperation with his Costa Rica counterparts and with NOAA's Paul Raymond. He expressed concern that Nicaraguan naval forces have insufficient resources to pursue traffickers, and that there has not been cooperation with the Costa Rican Coast Guard to pursue illegal lobsters entering their territorial waters. D'Leon asked if the U.S. military might contribute maritime assets, and encouraged USG contributions for the improvement of cross-border coordination of law enforcement assets. Post will evaluate this request.

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